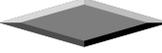


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**

MINUTES OF MEETING

April 22, 2008



A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, April 22, 2008, in the Robert F. Carlson Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:00 p.m. and the following Committee Members were present:

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Terrance McGuire
George Diehr
Greg Beatty
Henry Jones
Priya Mathur
Louis F. Moret
Tony Oliveira

Other Board members present:

Anne Sheehan
James Zerio

AGENDA ITEM 2 – APPROVAL OF THE MARCH 18, 2008 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING MINUTES

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, the minutes were approved as presented.

AGENDA ITEM 3 – LEGISLATION

Wendy Notsinneh, Chief, Office of Governmental Affairs, presented this bill with a recommendation of a neutral position.

3-A. **Neutral**, AB 1936 (Emmerson). Nonprofit Mutual Water Companies. This bill would permit a nonprofit mutual water company that meets certain criteria to enter into a contract as a “public agency” with CalPERS upon obtaining a written advisory opinion from the Department of Labor.

On **MOTION** by Dr. Diehr, **SECONDED** and **CARRIED**, that the Board support a neutral position on Assembly Bill 1936 by Assembly Member Emmerson.

AGENDA ITEM 4 – CONTINUE CONTRACTS FOR ACTUARIAL POOL AND ISSUE RFP FOR ACTUARIAL AUDITING

David Clement, Senior Pension Actuary, Actuarial and Employer Services Branch, presented background information and key points for an extension.

Ron Seeling, Chief Actuary, added clarification per Legal’s request.

On **MOTION** by Dr. Diehr, **SECONDED** and **CARRIED**, that the Board approve an extension of the existing Actuarial Consulting Pool contracts for an additional five years, and to issue a Request for Proposal for an Actuarial Auditing contract with a term of five years.

AGENDA ITEM 5 – June 30, 2007 LEGISLATORS’ RETIREMENT SYSTEM ACTUARIAL VALUATION REPORT AND TRANSMITTAL LETTER TO THE GOVERNOR AND LEGISLATURE

Mr. Clement presented the Legislators’ report and transmittal letter for approval.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, that the Board approve the June 30, 2007 Legislators’ Retirement System Actuarial Valuation Report and transmittal letter with adoption of an employer contribution of \$0 as well as a 0% contribution rate for all members for the period of July 1, 2008 to June 30, 2009.

AGENDA ITEM 6 – June 30, 2007 JUDGES’ RETIREMENT SYSTEM ACTUARIAL VALUATION REPORT AND TRANSMITTAL LETTER TO THE GOVERNOR AND LEGISLATURE

Gale Patrick, Senior Pension Actuary, presented the Judges’ Retirement System report and transmittal letter for approval.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, that the Board approve the June 30, 2007 Judges' Retirement System Actuarial Valuation Report and strongly urge the California Legislature and Governor to adopt an employer contribution schedule that properly funds the Judges' Retirement System.

AGENDA ITEM 7 – June 30, 2007 JUDGES' II RETIREMENT SYSTEM ACTUARIAL VALUATION REPORT AND TRANSMITTAL LETTER TO THE GOVERNOR AND LEGISLATURE

Nancy Campbell, Supervising Pension Actuary, presented the Judges' II Retirement System report and transmittal letter for approval.

On **MOTION** by Mr. Jones, **SECONDED** and **CARRIED**, that the Board approve the June 30, 2007 Judges' II Retirement System Actuarial Valuation Report with adoption of an employer contribution rate of 20.227% for the period of July 1, 2008 to June 30, 2009.

AGENDA ITEM 8 – ENTERPRISE TRANSITION MANAGEMENT PROJECT UPDATE

Fred Buenrostro, Chief Executive Officer, and John Hiber, Assistant Executive Officer, Administrative Services Branch, provided a summary of the issues that would be presented at the May meeting. Additionally, the Chair of the Committee provided direction to move forward with the ETM Project and to take the following two steps regarding organization design:

1. The ETM Project is to move forward with a focus on only the minimum steps necessary to prepare staff and effectively implement the PSR system and to implement a governance model to support PSR.
2. On a second track, beginning at the July Offsite Meeting, seek direction on the longer-term business direction of CalPERS and associated future potential organization design changes. This process would engage the Board, CalPERS leaders, and staff in evaluating future opportunities, and developing a vision and strategy for the future.

AGENDA ITEM 9 – PRIVACY AND SECURITY TASKFORCE PROJECT

Gloria Moore Andrews, Deputy Executive Officer, Operations, presented the Report to the Committee as an information item.

AGENDA ITEM 10 – my|CALPERS PROJECT UPDATE

Pat Macht, Assistant Executive Officer, Office of Public Affairs, updated the new features and enhancements of my|CalPERS.

AGENDA ITEM 11 – CHIEF ACTUARY REPORT

Mr. Seeling submitted an informational item regarding VFF.

AGENDA ITEM 12 – ASSISTANT EXECUTIVE OFFICER REPORT

Donna Lum, Chief, Benefit Services Division, presented the Assistant Executive Officer's Matrix on behalf of Kathie Vaughn.

AGENDA ITEM 13 – DRAFT AGENDA FOR MAY 14, 2008 MEETING

The following changes to the May 14, 2008 agenda were:

1. Start time to be changed to 8:30 a.m.
2. Remove Agenda Item 7-Final Valuation for the Volunteer Firefighters' Length of Service Award System

AGENDA ITEM 14 – PUBLIC COMMENT

There was no public comment.

The next meeting of the Benefits and Program Administration Committee is scheduled for May 13, 2008, at 9:30 a.m., in Sacramento, California.

KENNETH W. MARZION
Interim Chief Executive Officer